# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:5869
ANSWERED ON:03.05.2002
INTEREST RATES ON SAVINGS BANK ACCOIUNT
ALE NARENDRA

**Will the Minister of FINANCE be pleased to state:**

(a) whether the Government propose to allow banks to fix interest rate on savings bank account depending on market trends to capitaliSe on this prime source of low cost fund;

(b) if so, the time by which the final decision is likely to be taken in this regard; and

(c) the extent to which it will be helpful to the country`s economy?

## Answer

. MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GJNGEE N.RAMACHANDRAN)

(a). No, Sir. Interest rates of all deposits accepted by the commerdalbanks have beenderegulated except the savings bank deposit rate which is prescribed by the Reserve Bank of India (RBI) from tim to time. Since Aprill, 2000, savings bank deposit rate has been prescribed at 4.0 per cent.

In view of the overall interest of the depositors, RBI have reported that it may not bedesirable to deregulate the savings bank deposit rate at present.

(b) & (C}: Do not arise in view of above reply.